

STRATEGIC PLANNING
AND REVIEW CONSULTATION

INDUSTRY AND LOCAL 338

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11/12/20



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Agenda

- January – September 2020 Performance Review
- Topics of Discussion
 - Smart 90 CVS Exclusive Program
 - Pharmacy Vaccination Program
 - SafeGuard Programs – not currently enrolled

Diabetes Care Value*

Inflammatory Conditions Care Value

Market Events Protection Program

Multiple Sclerosis Care Value

Pulmonary Care Value*

* - currently not eligible to enroll due to plan design



Plan Performance

- Plan Cost PMPM increased \$6.79 (+5.1%) to \$140.46
- Member Cost increased 17.8%, contributing an additional \$10.8K to the plan
- Rebates reduced Plan Cost PMPM from \$140.46 to \$115.35 (-17.9%)

Plan Performance			
	1-20 - 9-20	1-19 - 9-19	Change %
AWP	\$718,917	\$824,850	-12.8%
Network & Mail Discount Savings (includes dispensing fees)	-\$277,339	-\$321,718	-13.8%
Tax	\$0	\$0	0.0%
Gross Cost	\$441,578	\$503,132	-12.2%
Member Cost	-\$71,192	-\$60,426	17.8%
Plan Cost	\$370,386	\$442,706	-16.3%
Rebates*	-\$66,201	-\$54,987	20.4%
Plan Cost Net	\$304,185	\$387,719	-21.5%

Members	293	368	-20.4%
Gross Cost Net PMPM	\$142.35	\$135.31	5.2%
Plan Cost PMPM	\$140.46	\$133.67	5.1%
Plan Cost Net PMPM	\$115.35	\$117.06	-1.5%

* Rebates are estimated based on paid and expected to be paid amounts. Actual rebate payments may differ from estimates.



Top Line Performance Metrics

- Plan Cost Net PMPM decreased \$1.71 (-1.5%) to \$115.35, primarily driven by the Cost Share Trend Component
- Specialty Plan Cost Net PMPM decreased \$19.82 (-24.7%) to \$60.58, primarily driven by the Specialty Utilization Trend Component
- Generic Fill Rate (GFR) decreased 1.7 percentage points to 84.6%, 2 percentage points lower than the peer

INDUSTRY AND LOCAL 338			
Description	1-20 - 9-20	1-19 - 9-19	Change
Avg Subscribers per Month	120	141	-14.9%
Avg Members per Month	293	368	-20.4%
Number of Unique Patients	181	253	-28.5%
Pct Members Utilizing Benefit	61.8%	68.8%	-7.0
Total Plan Cost Net	\$304,185	\$387,719	-21.5%
Total Days	79,401	89,206	-11.0%
Total Adjusted Rx	2,966	3,403	-12.8%
Average Member Age	37.6	37.1	1.3%
Plan Cost Net PMPM	\$115.35	\$117.06	-1.5%
Plan Cost Net/Day	\$3.83	\$4.35	-11.9%
Plan Cost Net per Adjusted Rx	\$102.56	\$113.93	-10.0%
Nbr Adjusted Rx PMPM	1.12	1.03	9.5%
Generic Fill Rate	84.6%	86.3%	-1.7
90 Day Utilization	51.3%	43.8%	7.5
Retail - Maintenance 90 Utilization	31.0%	20.2%	10.8
Home Delivery Utilization	20.3%	23.6%	-3.3
Member Cost Net %	19.0%	13.5%	5.5
Specialty Percent of Plan Cost Net	52.5%	68.7%	-16.2
Specialty Plan Cost Net PMPM	\$60.58	\$80.40	-24.7%
Formulary Compliance Rate	97.8%	98.0%	-0.2

Labor - NPF Formulary	
1-20 - 9-20	Change
35.3	
\$89.58	6.1%
\$3.15	4.8%
\$81.17	6.8%
1.10	-0.6%
86.6%	0.7
50.5%	0.1
2.8%	0.4
47.7%	-0.3
10.9%	0.0
56.7%	2.8
\$50.75	11.6%
98.3%	0.1



Top 10 Indications

- The largest financially impactful change was in Inflammatory Conditions, driving \$85.9K in reduced net cost from a 19.9% decrease in Net PMPM
- Depression trend increased 2097.5%, contributing an additional \$12.31 to Net PMPM
- Generic Fill Rate (GFR) in COPD lags your peer by 13.9 points

Represent
81.8%
Of Your Total
Plan Cost Net

Top Indications by Plan Cost Net															
1-20 - 9-20										1-19 - 9-19					%
Management Strategy	Rank	Peer Rank	Indication	Adjusted Rxs	Patients	Plan Cost Net	Peer Generic Fill Rate	Generic Fill Rate	Plan Cost Net PMPM	Rank	Adjusted Rxs	Patients	Generic Fill Rate	Plan Cost Net PMPM	Plan Cost Net PMPM Change
ST/PA/DQM	1	1	INFLAMMATORY CONDITIONS	55	7	\$151,216	34.5%	44.6%	\$57.34	1	70	7	22.9%	\$71.61	-19.9%
ST/PA/DQM	2	16	DEPRESSION	149	26	\$34,020	88.6%	97.5%	\$12.90	24	185	29	98.9%	\$0.59	2097.5%
ST/PA/DQM	3	3	DIABETES	221	17	\$24,643	30.8%	42.6%	\$9.35	3	212	18	44.3%	\$5.04	85.6%
DQM	4	12	MENTAL/NEURO DISORDERS	45	6	\$9,238	82.2%	88.0%	\$3.50	14	82	7	100.0%	\$1.12	213.8%
DQM	5	31	CHEMICAL DEPENDENCE	32	3	\$8,284	78.1%	83.1%	\$3.14	11	22	3	40.9%	\$1.97	59.2%
DQM	6	34	COPD	37	7	\$8,041	0.0%	13.9%	\$3.05	6	39	8	2.6%	\$2.57	18.5%
ST/PA	7	9	ATTENTION DISORDERS	48	10	\$7,278	64.6%	58.1%	\$2.76	7	47	10	21.3%	\$2.43	13.5%
ST	8	15	HIGH BLOOD PRESS/HEART DISEASE	641	63	\$7,025	96.9%	98.1%	\$2.66	10	662	76	98.2%	\$2.09	27.3%
ST/DQM	9	13	SEIZURES	50	10	\$5,714	80.0%	93.6%	\$2.17	9	69	15	81.2%	\$2.28	-4.9%
DQM	10	19	CONTRACEPTIVES	147	18	\$5,693	100.0%	88.8%	\$2.16	8	172	22	92.4%	\$2.29	-5.8%
Total Top 10:				1,425		\$261,151	78.6%		\$99.03		1,560		80.8%	\$91.99	7.7%
Differences Between Periods:				-135		-\$43,513	-2.2%		\$7.05						

Peer = Express Scripts Peer 'Labor - NPF Formulary' market segment



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Top 25 Drugs

- Represent 84.3% of your total Plan Cost Net and comprise 14 indications
- 5 of your top 25 are specialty drugs, making up 66.7% of your Top 25 spend

Top Drugs by Plan Cost Net													
1-20 - 9-20								1-19 - 9-19				% Change	
Management Strategy	Rank	Peer Rank	Brand Name	Indication	Adj. Rxs	Pts.	Plan Cost Net	Plan Cost Net PMPM	Rank	Adj. Rxs	Pts.	Plan Cost Net PMPM	Plan Cost Net PMPM
ST/PA/DQM	1	86	SIMPONI*	INFLAMMATORY CONDITIONS	18	3	\$76,858	\$29.15	1	19	3	\$25.53	14.2%
ST/PA	2	105	XELJANZ*	INFLAMMATORY CONDITIONS	9	1	\$36,589	\$13.88	2	15	2	\$19.08	-27.3%
ST/PA	3	37	XELJANZ XR*	INFLAMMATORY CONDITIONS	6	1	\$23,568	\$8.94					
PA	4	362	SPRAVATO*	DEPRESSION	11	1	\$20,744	\$7.87					
ST/PA	5	96	ORENCIA CLICKJECT*	INFLAMMATORY CONDITIONS	3	1	\$13,309	\$5.05	3	12	1	\$15.52	-67.5%
ST/DQM	6	283	APLENZIN	DEPRESSION	6	1	\$12,030	\$4.56					
DQM	7	64	REXULTI	MENTAL/NEURO DISORDERS	8	1	\$7,901	\$3.00					
PA/DQM	8	8	TRULICITY	DIABETES	19	3	\$6,824	\$2.59	10	14	3	\$1.43	81.0%
ST/PA	9	12	VYVANSE	ATTENTION DISORDERS	16	2	\$5,576	\$2.11	9	22	4	\$1.90	11.2%
DQM	10	67	ENTRESTO	HEART DISEASE	12	2	\$5,291	\$2.01	33	3	1	\$0.38	434.0%
ST	11	16	OZEMPIC	DIABETES	11	2	\$4,688	\$1.78	14	9	2	\$1.11	60.0%
DQM	12	359	ELETRIPTAN HBR	MIGRAINE HEADACHES	13	1	\$4,478	\$1.70	13	11	1	\$1.23	37.9%
DQM	13	47	BUPRENORPHINE-NALOXONE	CHEMICAL DEPENDENCE	24	3	\$4,412	\$1.67	24	9	3	\$0.56	199.1%
DQM	14	157	SUBOXONE	CHEMICAL DEPENDENCE	8	1	\$3,872	\$1.47	11	13	2	\$1.41	3.9%
N/A	15	508	NASCOBAL	ANEMIA	9	1	\$3,835	\$1.45					
N/A	16	78	VIMPAT	SEIZURES	5	1	\$3,746	\$1.42	12	6	1	\$1.30	9.3%
N/A	17	88	BRILINTA	BLOOD MODIFYING	12	2	\$3,026	\$1.15	73	2	2	\$0.14	698.1%
ST/DQM	18	35	JANUVIA	DIABETES	19	4	\$2,962	\$1.12	28	11	3	\$0.51	121.0%
PA/DQM	19	154	XIIDRA	OPHTHALMIC CONDITIONS	9	1	\$2,910	\$1.10					
N/A	20	229	COMBIVENT RESPIMAT	COPD	10	2	\$2,877	\$1.09	25	7	2	\$0.56	96.3%
ST	21	332	RYBELSUS	DIABETES	8	1	\$2,443	\$0.93					
N/A	22	82	DEXCOM G6	DIABETES	18	1	\$2,383	\$0.90	29	18	1	\$0.49	85.9%
N/A	23	124	TRELEGY ELLIPTA	COPD	10	2	\$2,149	\$0.81	27	8	2	\$0.51	59.6%
ST	24	62	BYSTOLIC	HIGH BLOOD PRESS/HEART DISEASE	20	3	\$1,992	\$0.76	40	12	2	\$0.29	157.1%
N/A	25	642	CARVEDILOL ER	HIGH BLOOD PRESS/HEART DISEASE	9	1	\$1,917	\$0.73	22	9	1	\$0.59	24.0%
			Total Top 25:		293		\$256,380	\$97.22		200		\$72.53	34.0%
			Differences Between Periods:		93		\$16,150	\$24.69					

*Specialty Drugs

Peer = Express Scripts Peer 'Labor - NPF Formulary' market segment



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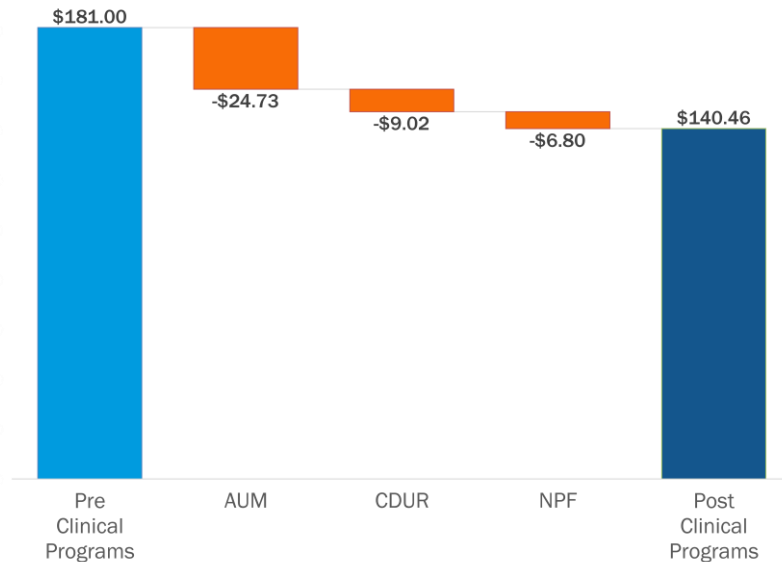
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Clinical Savings and Impact



**Clinical Programs
reduced Plan Cost
PMPM by 22.4%
(-\$40.55)**

Plan Cost Savings			
Program	Current 1-20 - 9-20	Previous 1-19 - 9-19	Change
Pre Clinical Programs	\$477 K	\$606 K	-21.2%
Plan Cost PMPM	\$181.00	\$182.98	-1.1%
AUM	\$65 K	\$147 K	-55.6%
CDUR	\$24 K	\$11 K	109.9%
NPF	\$18 K	\$5 K	250.3%
Savings	\$107 K	\$163 K	-34.5%
Post Clinical Programs	\$370 K	\$443 K	-16.3%
Plan Cost PMPM	\$140.46	\$133.67	5.1%

AUM - Advanced Utilization Management

CDUR - Concurrent Drug Utilization Review (health and safety edits)

NPF - National Preferred Formulary

Program fees are not included in these savings numbers



Topics of Discussion



Exclusive Smart90 CVS

Exposing opportunities to increase convenience and savings



Home delivery

delivers medications
right to the member's
door



10K

retail locations, anchored
by CVS, provide members
with easy access to
90-day supplies



Up to \$48K

in plan savings on
maintenance drug spend*



80% of
members not
impacted**

*Projections of potential performance based on client information available at the time modeling was generated and do not constitute a guarantee; client may have different results

** 60 members would need to switch to CVS or Home Delivery for their maintenance medications



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Exclusive Smart90 CVS

Exposing opportunities to increase convenience and savings

How it works

- Client enrolls into Exclusive Smart90
- After courtesy fills*, plan design requires 90-day supplies from CVS or home delivery from the Express Scripts Pharmacy
- If filled at wrong pharmacy or wrong days' supply, member pays 100% prescription cost after courtesy fills**
- Deeper savings realized at Smart90 pharmacies
- Diabetes and pulmonary patients receive access to engagement tools†
- Patients taking targeted migraine medications receive adherence monitoring and specialized support from our Neuroscience Therapeutic Resource Center®
- Members using 30-day supplies or filling out-of-network receive reminder communications‡ about benefits of Smart90

*2 courtesy fills recommended; client may choose anywhere between 1 to 3 courtesy fills if preferred. Courtesy fills not applicable for targeted migraine medications. **Hard reject available if preferred. †Remote monitoring and Mango Health for diabetes and pulmonary patients. ‡For select long-term medications. Acute and other long-term medications may be filled at any participating pharmacy. Other maintenance medications can be filled for 90 days, even if not on the Smart90 drug list.



PHARMACY VACCINATION PROGRAM

We believe in healthy members and plan savings

FOR CLIENTS

- **Savings** on most common vaccines when filling at pharmacy vs. physician's office
- **Decrease** absenteeism
- **Increase** employee productivity
- **Reduce** downstream medical costs when vaccination rates increase

FOR MEMBERS

- **Thousands of convenient locations** so members don't have to go their doctor's office where wait times may be longer
- **Network alignment** guides members to in-network pharmacies

* <https://www.nfid.org/immunization/>



EVERY YEAR, APPROXIMATELY
50,000 US ADULTS DIE FROM
VACCINE-PREVENTABLE DISEASES
IN THE U.S.*



PHARMACY VACCINATION PROGRAM

Implementation information

- Client chooses vaccines to cover and member copay
 - Recommended: \$0 copay and bypass deductible to incentivize members to vaccinate
- Express Scripts completes, quality checks, and submits setup form(s)* to ensure seamless, end-to-end implementation of benefit coverage
- Express Scripts program fee applies: \$2.50 per vaccine claim (billed separately on administrative invoice)
- Standard implementation time frame: 30-45 days; timing varies for 1/1 implementations

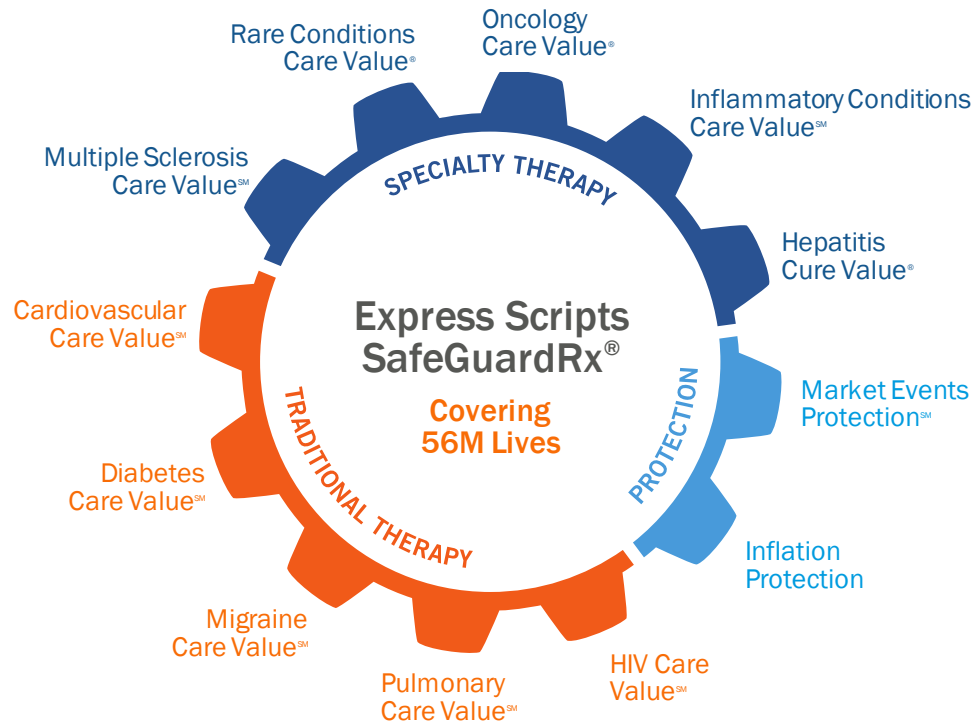
*May include Pharmacy Vaccination program, clinical benefits, copay benefits, and/or Health Care Reform setup forms. Ensures appropriate setup of vaccine administration fee for pharmacy administration of covered vaccines



SafeGuardRx

For the most critical and complex challenges

Saving \$4.3B in 2019



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Teamsters Local 338 SafeGuardRx Opportunity

a platform focused on solving the greatest cost and care challenges for the most complex conditions

No additional fee for any Safeguard Rx Programs

Values described below in chart , compliments your current benefit design

Program Opportunity	High level summary of Additional Value	Impact/fee
Inflammatory Conditions Care Value Program	Early Discontinuation reimbursement on participating Inflammatory medications	No impact, enrolled in Exclusive Accredo and AUM/NPF No fee
Multiple Sclerosis Care Value Program	Early Discontinuation reimbursement on participating MS medications	No impact, enrolled in Exclusive Accredo and AUM and NPF No fee
Market Events Protection Program	•Price increases where a drug has more than doubled in price at any point in the last year, has meaningful utilization, and represents a savings opportunity by making sure our clients are not unnecessarily paying for medications that are not more beneficial for their members. •Patent expirations. These will focus on the top drug opportunities – more of the blockbuster medications. •Unwarranted price discrepancies.	•Additional Layer of action complimenting National Preferred Formulary. •Impacted member will receive communications



Teamster Local 338 SafeGuardRx (In place today)

a platform focused on solving the greatest cost and care challenges for the most complex conditions

Values described below in chart , compliments your current benefit design

Current Enrollment	High level summary of Additional Value
Cardiovascular Care Value Program	Additional discounts on PCSK9 and preferred anticoagulants
Hepatitis Care Value Program	When filled at Accredo, an additional discount off AWP for participating hepatitis C medications
Neurologic Care Value (previous Migraine Care Value)	Flat discount on eligible utilization for preferred acute migraine products with an increase in incremental discount for high utilizers Early Discontinuation Credits on preferred preventative CGRP-inhibitor medications and maintenance epilepsy medications
Rare Conditions Care Value Program	Discounts on select, high-cost utilizers and preferred rare-condition medications filled at Accredo
HIV Care Value Program	PMPY cost trend cap for utilizing members for preferred HIV PReP medications Latest policy updates and evidence-based insights delivered to providers so they can educate their patients on HIV prevention
Oncology Care Value	When filled at Accredo additional discounts off AWP for participating oncology med, early discontinuation for participating oncology meds



Appendix



Top 3 Specialty Indications

- The largest financially impactful change in Specialty was in Inflammatory Conditions, driving \$86.0K in reduced net cost
- Inflammatory Conditions trend decreased 20.1%, contributing -\$14.33 to Specialty Cost Net PMPM
- Neuromuscular Conditions/Cosmetic has a larger impact on your spend than it does on the peer, ranked 29 vs 59

Top Specialty Indications by Plan Cost Net													
1-20 - 9-20								1-19 - 9-19					%
Management Strategy	Overall Rank	Overall Peer Rank	Indication	Adjusted		Plan Cost		Overall Rank	Adjusted Rxs	Patients	Plan Cost		Plan Cost Net PMPM
				Rxs	Patients	Net	PMPM				Net	PMPM	
ST/PA/DQM	1	1	INFLAMMATORY CONDITIONS	36	5	\$150,325	\$57.01	1	54	7	\$236,277	\$71.34	-20.1%
ST/PA/DQM	2	16	DEPRESSION	11	1	\$20,744	\$7.87						
PA	29	59	NEUROMUSCULAR CONDITIONS/COSMETIC	3	1	\$1,090	\$0.41						
			Total Top 3:	50		\$172,159	\$65.29		54		\$236,277	\$71.34	-8.5%
			Differences Between Periods:	-4		-\$64,118	-\$6.05						

Peer = Express Scripts Peer 'Labor - NPF Formulary' market segment



Top 6 Specialty Drugs

- Represent 56.6% of your total Plan Cost Net and comprise 3 indications

Top Specialty Drugs by Plan Cost Net

1-20 - 9-20										1-19 - 9-19					% Change
Management Strategy	Overall Rank	Overall Peer Rank	Brand Name	Indication	Adj. Rx	Pts.	Plan Cost Net	Plan Cost Net / Adj. Rx	Plan Cost Net PMPM	Overall Rank	Adj. Rx	Pts.	Plan Cost Net / Adj. Rx	Plan Cost Net PMPM	Plan Cost Net PMPM
ST/PA/DQM	1	86	SIMPONI	INFLAMMATORY CONDITIONS	18	3	\$76,858	\$4,270	\$29.15	1	19	3	\$4,450	\$25.53	14.2%
ST/PA	2	105	XELJANZ	INFLAMMATORY CONDITIONS	9	1	\$36,589	\$4,065	\$13.88	2	15	2	\$4,213	\$19.08	-27.3%
ST/PA	3	37	XELJANZ XR	INFLAMMATORY CONDITIONS	6	1	\$23,568	\$3,928	\$8.94						
PA	4	362	SPRAVATO	DEPRESSION	11	1	\$20,744	\$1,886	\$7.87						
ST/PA	5	96	ORENCIA CLICKJECT	INFLAMMATORY CONDITIONS	3	1	\$13,309	\$4,436	\$5.05	3	12	1	\$4,283	\$15.52	-67.5%
PA	37	93	BOTOX	NEUROMUSCULAR CONDITIONS/CO	3	1	\$1,090	\$363	\$0.41						
			Total Top 6:		50		\$172,159	\$3,443	\$65.29		46		\$4,329	\$60.13	8.6%
			Differences Between Periods:		4		-\$26,984	-\$886	\$5.16						

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Exclusive Smart90 CVS

Exposing opportunities to increase convenience and savings

Product feature recommendations

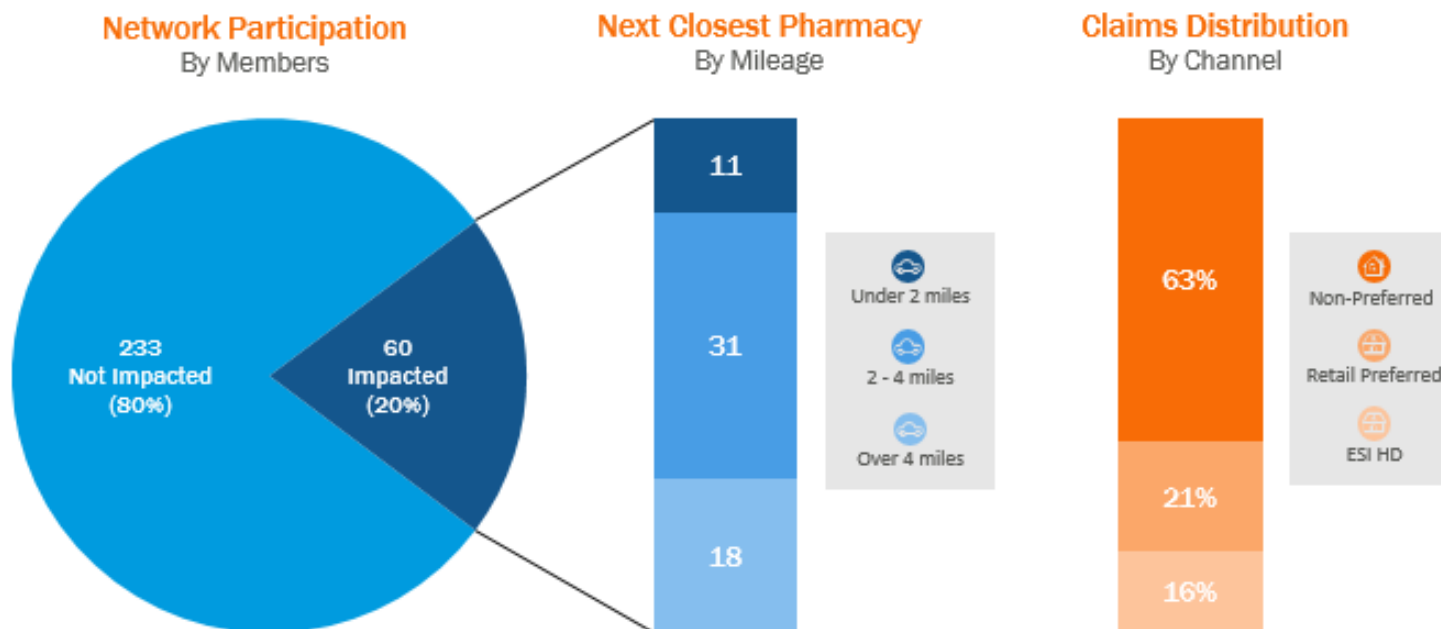
Standard feature	Exclusive Smart 90 CVS
Fill limit	• 2 long-term medication courtesy fills before penalty† • Other courtesy fill limits available • Fill count by drug and strength
Copay penalty	• 100% prescription cost • Hard reject option available
Minimum days' supply threshold	• 84 days
Member Communications	• Announcement, trigger, opportunity (letters or emails sent based on member preference and available information) • Automated outbound messages
Announcement letter history look-back period	• 270 days



INDUSTRY AND LOCAL 338 Member Distribution

Exclusive Smart90 CVS
01-2020 through 09-2020

 **Your Opportunity \$48K**



18 Members would have to drive over 4 miles to fill at a participating retail pharmacy or could fill at mail





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